

## Introduction: “Fair Trade in Different National Contexts”

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In 1988, the first fair trade label, Max Havelaar, was launched as a collaboration between a cooperative of small producers in Mexico and a Dutch NGO. The aspirations of the small producers involved in this initiative were quite modest. They wanted to extend their access in international market beyond alternative retail outlets (e.g., world shops, whole food stores, etc.) to large grocery chains. They were not trying to change the relationships that they enjoyed with alternative trade organizations, so much as to work with them to access traditional distribution outlets as well. In this sense, the origins of “certified fair trade” (FT) were very much rooted in the practice of alternative trade and its commitments not only to a fair price, but also to a different type of trading relationship (Eshuis and Harmsen, 2003). Over the years, however, developments in a number of areas would occur which would greatly change, and diversify, the practice of FT.

One such area of change has involved trade relations, especially the integration of corporate actors into FT as licensees. While this “mainstreaming” of FT has helped to increase sales, critics point out that it has undercut the FT commitment to trade relations based upon solidarity (Raynolds, 2009; Renard, 2005). A counter-movement to this trend has been the effort by traditional alternative trade organizations to develop new organizational forms (networks, alliances, etc.) which will enable them to compete with corporate actors (both inside and outside of fair trade) (Davies, 2009). Advocates argue that such innovations (which include incorporating small producer organizations into the ownership structure of such alternative distribution companies) represent a form of “radical mainstreaming” (Doherty and Tranchall, 2007).

A second significant development has occurred at the level of production. While FT started as an effort

to support the development aspirations of small producers, a significant change occurred with incorporation of estate production (and more recently contract farming). While this change in practice has been strongly opposed by small producer associations, who see it as a further corporatization of FT which may ultimately lead to them being squeezed out of FT (Renard and Pérez-Grovas, 2007), advocates see it as an important way to expand the production of FT into areas historically dependent upon estate production and to improve the lot of agricultural workers (Frundt, 2009).

A third important development has occurred in the certification processes and institutions of FT. After Max Havelaar was initiated in the Netherlands, not only did it spread to other European countries, but other national labelling bodies also emerged. In 1997, 17 such national labelling bodies in Northern countries joined together to form the Fair Labelling Organizations International (FLO). While its establishment was widely welcomed as a way of better co-ordinating FT activities, FLO was criticized for not including small producer organizations in its governance structures (Taylor et al., 2005). Subsequently, reforms were made to the governance structure of FLO (and to some of the national labelling bodies as well) to address this problem. Small producer organizations, however, are still not entirely satisfied with the current arrangements and in Latin America have established their own label for use in that region (Renard and Pérez-Grovas, 2007).

While these various developments have all been documented and analyzed in the expanding FT literature, there has been little attention to whether these developments, both singularly and in combination, are experienced differently in the various countries in which FT actors operate. As an international movement with formally agreed upon

standards, it might be tempting to assume that national contexts play little role in shaping FT. Yet, as this special issue aims to demonstrate, the diversity of practice and understanding that has been emerging in FT as an international movement cannot be understood without exploring the striking differences in FT practice across national boundaries. The historical role of FT pioneers, the nature of civil society involvement, the conditions under which certification emerged, the business strategies of corporations and social economy actors, and the role of the state are among the many elements that have led to very diversified patterns of FT practice in different countries (see Krier, 2005, 2008 for a descriptive account of these differences).

This extent of this phenomenon of national diversity was made particularly evident at the “Third International Fair Trade Symposium,” which took place in Montpellier (France) in May 2008. The present special issue comprised largely of papers that were presented at this conference. The goal of this issue is to draw attention to this divergence of practice and understanding in FT across national boundaries and to highlight the need for further research in this area. While this diversity is characteristic both of the North and the South, the papers in this issue focus primarily on Northern countries. In addition to specific country-focused articles, this issue also includes a few additional articles on broader ethical issues relating to the practice of FT.

In the first article, Reed, Thomson, Hussey, and LeMay open the discussion by addressing the fundamental question of FT research agendas. They argue for the need to ground such agendas in normative analysis and, more specifically, to distinguish basic categories of normative issues. In their demonstration of how normative analysis can guide research agendas, they develop their argument using the case of Canada and highlight the characteristic features of the practice of FT in that country.

Next, Becchetti and Costantino offer an analysis of what is arguably the most distinctive national model of FT practice, the case of Italy. The authors argue that the Italian practice of fair trade is rooted in and defined by more social economy based value chains, including the existence of a national distributor (CTM Altrmercato) which rivals the national labelling body as the guarantor of fair trade standards. They contend that while there are some clear

trade-offs between social goals and the economic performance in the Italian model, there are potential solutions which may resolve its comparative disadvantages without compromising the goals of the model.

The third article analyses the case of France. Özçağlar-Toulouse, Béji-Bécheur, Gateau, and Robert-Demontrond trace the history of the development of fair trade in France. They argue that as the practice of FT has become more professional and institutionalized, the notion of “fair trade” has become ambiguous and the practice quite diverse, with different projects being grounded in conflicting approaches to trade and development, e.g., more tradition market-based systems, alter-globalization models, and even anti-globalization movements. The authors are concerned that these different understandings and contradictory projects threaten the future of Fair Trade, but look to recent developments in practice (e.g., the rise of Fair Trade towns) as providing some potential for collaboration and easing of ideological tensions.

In analyzing the case of Belgium, Huybrechts argues that there has also been a diversification of practice among fair trade organizations over time. He documents a shift away from the initial domination by pioneer volunteer-based nonprofits to a broader array of actors including cooperatives, group structures, businesses, and individual entrepreneurs exclusively devoted to FT. In contrast to the French case, however, Huybrechts argues that diversity does not appear to have been a significant obstacle to collaboration, as different actors have been willing to come together to promote FT (especially in a context of decreasing public support and increased competition from corporate ethical labels).

Looking at the case of the UK, Nicholls takes a slightly different tack in analysing developments. Arguing that most of the FT literature tends to focus on exchange relations, he adopts a neo-institutionalist perspective to orient his analysis of developments in the UK on the emergence of institutional entrepreneurship. From this perspective, FT can be seen as bringing a new set of transformational meanings to extant exchange and consumption models. It reforms fields of economic exchange by disrupting and then reassembling key institutional elements around modern consumption to roll back commodity fetishism and reconnect consumers and producers. This

type of institutional change driven by FT represents a new form of social entrepreneurship.

In a complementary analysis, Smith examines the role of corporate actors in the UK fair trade market. In particular, she explores tensions between Fairtrade principles and the commercial practices which characterise UK supermarket value chains. Smith argues that there is considerable variation in UK supermarket approaches in terms of scale and scope of commitment to Fairtrade and in the nature of relationships with Fairtrade suppliers. In some cases, supermarket involvement has the potential both to expand and deepen the impact of Fairtrade, whereas in others it threatens to undermine the ability of Fairtrade to support long-term processes of development.

In examining the development of FT in the U.S., Jaffee also focuses on the role of corporations, but does so more from a regulatory angle by examining the development of and contestation over the standards for certified FT. He charts FT's rapid growth in the United States since the 1999 advent of formal certification and explores the controversies generated by the strategy of market mainstreaming in the sector, focusing on five key issues. Jaffee then offers a typology of responses by social movement actors to increased corporate participation, and assesses the relevance of the U.S. case for the future prospects of FT, both in other national contexts and as an international movement.

Again, in a complementary piece, Renard offers a critical analysis of one of the most prominent U.S. corporations involved in FT, Starbucks. Renard, however, does not examine Starbucks' activities in the U.S., but looks at its development of a self-labelling initiative in Chiapas, Mexico. She highlights the negative consequences of this initiative for the coffee producers involved, contrasting them with the benefits that producers in the region receive through their participation in FT.

Shifting from the producers' standpoint, the next article by Mahé examines consumers' behaviour, focusing on the market for FT bananas in Switzerland. Specifically, on the basis of survey data the article examines the stated motivations of consumers for buying FT and organic bananas in Switzerland. The results show that FT is widely accepted in Switzerland, but that the willingness to pay a premium for such products is influenced by age, the number of young children and the perception of the FT label.

The final two papers do not focus on a specific country, but instead examine broader normative issues within FT. Both papers, however, draw primarily on the French case for their examples. First Ballet and Carimentrand examine how changes in FT over the years have led to a "depersonalization of ethics" and a variety of interpretations of what constitutes FT. They go on to argue that hiding these divergences behind a label is increasing the risk that the movement will lose its credibility.

Finally, Balineau and Dufeu examine the status of FT products as credence goods. The authors argue that FT products are more complex than allowed for in the common understanding of credence goods (as products which have attributes which consumers cannot evaluate even after consumption) and, following Lupton (2005), contend that they are better defined as *indeterminate goods*. They authors then suggest a new typology of product attributes which sheds light on how competition between the different FT approaches works and why FT is still confined to a niche market.

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